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C O N F I D E N T I A L SECTION 01 OF 03 WELLINGTON 000658

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STATE FOR EAP/ANP
OSD FOR JESSICA POWERS USDP/APSA/SSEA

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TAGS: PREL MARR NZ
SUBJECT: BGEN TOOLAN (OSD) VISIT TO NEW ZEALAND

Classified By: DCM David Keegan; Reason 1.4 (A, B and D)

¶1. (C) Summary. Brigadier General John Toolan's visit marked the highest level OSD visit to New Zealand in years. The General met with the leadership of the New Zealand Defense Force and Ministry of Defense, including Chief of Defense Force (CDF) LTGEN Jerry Mateparae, Secretary of Defense John McKinnon, and Chief of Navy, RADM David Ledson. He met with other senior MoD personnel, GNZ intelligence and police officials, and discussed the range of bilateral security and intelligence sharing activities. BGen Toolan met with the Ministry of Foreign Affairs (MFAT) and the Ministry of Agriculture and Fisheries (MAF) regarding aircraft sovereignty issues, which have now been resolved. MOD officials outlined the challenges facing New Zealand's military in the coming decade, GNZ concerns surrounding instability in the Pacific and long-term demand on New Zealand security forces, a fear of ungovernable spaces in the region and the ill effects of China-Taiwan competitive diplomacy in the Pacific Island arena. GNZ interlocutors were unanimous in their support for greater USG/GNZ synergy on security issues and applauded the improving bilateral relationship. End Summary.

Toolan Discusses Full Range of Defense Issues with GNZ Officials

¶2. (C) Brigadier General John Toolan, Principal Director of OSD's Office of South and Southeast Asia in Asian and Pacific Security Affairs, visited Wellington on 10 August and Auckland on 11 August. After an Embassy country team briefing, the General attended a Defense roundtable discussion chaired by Deputy Secretary of Defense Chris Seed and Vice CDF Air Vice-Marshal David Bamfield. Discussions included New Zealand's military modernization programs in the 2009-2010 timeframe (after the 2008 national elections); New Zealand's possible uses for its new multi-role vessel and two off-shore patrol vessels; disaster relief using the Pacific Island Forum as a vehicle; and security discussions surrounding several key South Pacific islands, including Fiji, the Solomon Islands, Timor Leste, and Tonga.

¶ 13. (C) Seed explained that the New Zealand military has reconfigured and realigned itself to allow for greater commitment to areas of risk and instability, due to New Zealand's recognition of its regional and global obligations. Seed said that the policy decisions largely were borne out of New Zealand's need to extend its sovereignty and protect its interests with respect to the large growth in the flow of illegal immigrants and narcotics in the region, and the sheer volume of ships moving through the southern Pacific. In addition, there may be times, such as in the case of Afghanistan, where New Zealand will contribute to global security operations outside its normal spere. In response to Toolan's question regarding sustainability of GNZ expenditures on the military, Bamfield noted that the MOD is into year three of its 10-year funding program, and so far the Government is holding to it. New equipment for the air force is still a couple years out for delivery; the new Navy is still three years away. While continued funding is always a concern, a greater challenge is recruitment and retention of qualified personnel. Bamfield added that the current reconfiguration plan will address the present generation of needs but there will be a different set of needs by 2015, including replacement of aircraft. In order to plan properly, the GNZ will need to begin planning in 2009/2010.

¶ 14. (C) In addition to personnel and finance issues, MOD officials noted that pre-2006 assumptions about stability in the Pacific had proven wrong. Beginning in 2006, the GNZ had witnessed increased demands on its security services in four areas: the Solomon Islands, Tonga, Fiji, and Timor Leste. Both Australia and New Zealand are now grappling with the responsibility of being the long-term security guarantors in

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multiple islands, which is also stretching resources and personnel. Chris Seed added that the political instability of the last two years had also reinforced the need to plan for evacuation of personnel, as well as to respond effectively to natural disasters. Seed mentioned that the GNZ and the Australian government are working on a model evacuation plan for the Fiji islands; Toolan responded that PACOM has evacuation plans for Fiji and other areas he said that such plans should be shared. Seed welcomed the idea, and said that once New Zealand and Australia are finished comparing notes, they should jointly approach PACOM.

¶ 15. (C) Both Seed and MOD Director for International Relations Wayne Higgins flagged GNZ concern over the Pacific Island militaries. Higgins offered that in his view, current Tongan Defense Service expansion plans are unrealistic and the role of the military in domestic security matters seems inappropriate to New Zealand. David Bamfield added that whenever the GNZ raises concerns regarding Pacific Island military forces with the respective governments, they inevitably raise China or Taiwan as alternative supporters. Toolan responded that the USG had put Taiwan on notice, and had urged them to play a more responsible role in conducting diplomacy in the Pacific region. Chris Seed suggested that such issues might be usefully discussed in greater depth at the March 2008 Quadrilateral meeting between the U.S., NZ, Australia, and France.

Intelligence Sharing Relationship Praised

¶ 16. (C) General Toolan had a working lunch with representatives from NZ Security Intelligence Service, External Assessments Bureau, Government Communications Security Bureau and NZ Police, as well as Ambassador for Counter-Terrorism Dell Higbie and other Defense Ministry and U.S. Mission personnel. Ambassador Higbie explained that her office manages a gamut of programs to address terrorism, including the Proliferation Security Initiative (PSI) and export controls, as well as non-traditional security-related programs designed to discourage extremism. Each bureau then recapped their respective intelligence relationship with U.S. counterparts. Both sides agreed to continue moving the positive

intelligence-sharing relationship forward, especially in the South Pacific island-nation region.

¶7. (C) The General attended a meeting with MFAT and MAF to specifically discuss the sovereignty of aircraft issue.

(Comment: NZ agricultural inspectors have, for years, been granted permission by U.S. aircrews to board arriving international military aircraft to spray insecticide and perform a cursory inspection in contravention of long-standing U.S. assertion of sovereign immunity.

The U.S. Foreign Clearance Guide was clarified several months ago, reiterating U.S. sovereign immunity policy instructing U.S. aircrews to not permit New Zealand inspections of U.S. state aircraft. With the upcoming Antarctic season looming, this issue had the potential for flight delays until a resolution could be found. End Comment.) In response to USG concerns, MAF proposed a work-around procedure whereby the spray bottles would be given to an American and that person would do the spraying at the direction of the MAF official. The General thanked MAF for their flexibility in developing this proposal. MAF stated that final approval was still needed by the government but in the interim, their new procedure would be used. (Comment: While the above procedure is indeed in effect, we learned since the General's departure that additional MAF changes in the normal SOPs to the crew and cargo would apply, but MFAT and the Embassy have resolved these issues. End Comment.)

¶8. (C) General Toolan met briefly with Secretary of Defense John McKinnon. The meeting was very cordial and recapped the issues already discussed above. The discussion turned to the upcoming visit to New Zealand by DASD James Clad 30-31 August. Secretary McKinnon has known Mr. Clad for years and was eager to meet with him to share views regarding the U.S.-NZ relationship.

¶6. (C) Navy Chief Rear Admiral David Ledson met with BGen Toolan, with discussion centering on two maritime events that

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were currently underway -- the deployment of a NZ medical team aboard the USS Peleliu and the deployment of two NZ junior officers aboard the U.S. Coast Guard Cutter Walnut. Both deployments have ushered in a new era of engagement between NZ and US and were received very favorably by the Navy Chief. The Navy Chief discussed the recent Quadrilateral (U.S., NZ, Australia, and France) Maritime conference held in New Zealand and the progress made in the area of maritime cooperation between the four participants. The Admiral discussed the new vessels purchased under Project Protector and the challenge the Navy will have operating the new multi-role vessel (MRV). Admiral Ledson suggested that perhaps a small team of experts from U.S. Navy amphibious operations could help NZ establish clear operating procedures and roles for the ship and avoid some pitfalls U.S. operators have experienced. (Note: In an earlier conversation with DCM, Ledson emphasized the NZ desire for assistance in integrating helicopter operations on board the MRV. End Note.) The Admiral also said that when Endeavour (tanker supply ship) is decommissioned, the navy may replace her with another MRV capable of carrying fuel.

¶9. (C) The General flew to Auckland on August 11 for a tour of the NZ SAS (Special Forces) facility. The SAS Commanding Officer gave the General a presentation on past operations and briefed the General on the recent award presentation to a NZ SAS soldier for heroism in Afghanistan. The Victoria Cross (equivalent of U.S. Medal of Honor) was awarded to one of his soldiers, the first Kiwi to receive this award since WWII. Other discussion involved the training, increased rotation schedule among military personnel and quality of the NZSAS. Attrition and high pace of operations have resulted in NZ unable to commit SAS troops for further deployments to Afghanistan, but NZ Defense Minister Phil Goff has not ruled out future deployments. Toolan toured the new multi-role vessel, HMNZS CANTERBURY at Devonport Naval Base, and had a productive discussion with Commodore David Anson over the future of US-NZ defense relations as well as Anson's upcoming assignment to Washington as the NZ defense attaché.

¶10. (C) Comment: General Toolan's visit was eagerly anticipated by NZ Defense leaders. His is the highest level OSD visit in years, to be followed by DASD Clad's visit 30-31 August. At every level, NZ leaders stressed that they did not want to appear to be pushing the envelope and were very cautious about probing into sensitive policy areas. Chris Seed said that his Ministry was under instructions from the Labour Government to be as transparent as possible, and characterized their policy as one of no surprises. All agreed the relationship is in better shape than it was two years ago, and New Zealand defense officials would welcome further collaboration on issues of mutual security concern, particularly with PACOM. The NZ leadership has changed tack on dealing with the US, and recognized that there it is in our mutual interest to seek out a better working relationship on common security issues without focusing on our few areas of disagreement. End Comment.